THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) To obviate the negative impact of the global economic events on the Indian economy in 2008-09, a number of steps were taken, which included monetary measures of the RBI and the expansionary fiscal policy of the Government. The stimulus measures announced by the Government in December 2008, January and February 2009 were both sector specific and macro economy wide in nature. Monitoring the emerging macroeconomic situation and calibrating policies to mitigate the adverse impact and restore growth momentum is an ongoing process. The expansionary fiscal stance is a short-term measure to address demand slowdown in the economy. To address medium term sustainability concerns, the Medium Term Fiscal Policy Statement 2009-10 indicates intention to resume the process of fiscal consolidation with a fiscal deficit of 5.5 per cent of GDP in 2010-11 and 4.0 per cent of GDP in 2011-12.

Acceptance of Urdu written cheques

471. SHRI SABIR ALI:

SHRI MOHAMMED ADEEB:

While the Minister of FINANCE be pleased to state:

(a) whether the cheques written in Urdu are accepted in Nationalized Banks;

(b) if so, the details in this regard;

(c) the details of the instances that have come to the notice of Government where banks refused to accept the cheques written in Urdu; and

(d) the action taken or being taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Reserve Bank of India (RBI) *vide* its Master Circular dated July 1, 2009 has advised all Scheduled Commercial Banks (excluding Regional Rural Banks) that all cheque forms would be printed in Hindi and English. The customer may, however, write cheques in Hindi, English or in the concerned regional language.

(c) and (d) No such instance has come to the notice of Government.

Beneficiaries of amendment in Income Tax Act

472. SHRI PENUMALLI MADHU:

SHRI M.V. MYSURA REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the names of public and private sector companies likely to be benefited from the amended section 80- IB (9) of income Tax Act 1961 in the Union Budget 2009-10;

(b) the reasons for amending the section 80- IB (9) of Income Tax Act 1961;

(c) the amount of tax relief to each company and the quantum of loss to Government by the introduction of section 35AD; and

(d) the manner in which Government proposes to bridge the revenue gap?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) As a result of amendment to section 80-IB(9), all companies (whether in the public or private sector) which are in the business of commercial production of mineral oil and natural gas will be benefitted provided they fulfill any of the following conditions:-

(i) located in North-Eastern Region and has begun or begins commercial production of mineral oil before the 1st day of April, 1997;

(ii) located in any part of India and has begun or begins commercial production of mineral oil on or after the 1st day of April, 1997;

(iii) is engaged in refining of mineral oil and begins such refining on or after the lst day of October, 1998 5a [but not later than the 31st day of March, 2012].

(iv) engaged in commercial production of natural gas in blocks licensed under the VIII Round of bidding for award of exploration contracts (hereafter referred to as "NELP-VIII") under the New Exploration Licencing Policy announced by the Government of India *vide* Resolution No. O-19018/22/95-ONG.DO.VL, dated 10th February, 1999 and begins commercial production of natural gas on or after the lst day of April, 2009;

(v) engaged in commercial production of natural gas in blocks licensed under the IV Round of bidding for award of exploration contracts for Coal Bed Methane blocks and begins commercial production of natural gas on or after the 1st day of April 2009.

(b) Under the pre-amended provisions, it was incumbent on refineries in the private sector to commence refining of mineral oil on or before the 31st March, 2009. The notice given, to private sector entrepreneurs to complete the execution of their refinery project was extremely short. As a result, entrepreneurs who had undertaken substantial investment in anticipation of the tax holiday suffered serious financial setback. Therefore, the provisions of section 80-IB(9) were amended so as to allow them a further period of three years *i.e.* upto the 31st March, 2012 to begin refining of mineral oil and avail of the tax benefit. The new terminal date will be the same for both the public and the private sector.

Further, the amendment has been made so as to extend the tax holiday under section 80-IB(9), which was hitherto available in respect of profits arising from the commercial production or refining of mineral oil, also to natural gas from 'eligible' blocks as defined in the Act.

(c) Section 35AD has been introduced in the Income Tax Act with effect from lst April, 2010. Therefore, deduction under this section is yet to be claimed by any company. As a result, the question of computing revenue foregone does not arise.

(d) Does not arise.